Marketing Doctor

Marketing Check-up

# 23andMe

As of April 29, 2025

Condition: Critical

## When trust is the product

23andMe made genetic testing something you could buy as a gift. Customers sent a tube of saliva and trusted the company with the most personal data they have. In March 2025 it filed for Chapter 11 and its co-founder stepped down as CEO. This check-up looks at three marketing problems: a product most people need once, a breach of the trust it sold and a governance fight in public view.

### Key takeaways

- A DNA test answers its questions in one report. Once it arrives, the customer's job is done, so the brand needs a steady flow of new buyers. Consumer revenue fell 8% in late 2024.
- The plan for a second act in drug discovery ended when therapeutics operations closed in November 2024.
- A 2023 breach started with about 14,000 accounts and reached 6.9 million people through the DNA Relatives feature. The feature that made the product social made the breach large.
- In bankruptcy, the brand's value depends on whether customers will trust a new owner with their genetic data.

## Marketing health check

| Area | Finding |
|---|---|
| **Purchase cycle** | Once. A DNA test answers its questions in one report. |
| **Trust** | Broken. A breach reached 6.9 million people. |
| **Second act** | Ended. Therapeutics operations closed in November 2024. |
| **Governance** | Unsettled. A public fight over control. |
| **Customer data** | At the centre of a court-supervised sale. |

## Timeline

| When | What happened |
|---|---|
| **Jun 2021** | 23andMe lists on Nasdaq through a merger valuing it at $3.5 billion. |
| **Oct 2023** | 23andMe discloses that hackers accessed customer data. |
| **Dec 2023** | The company confirms the breach reached 6.9 million people. |
| **Apr 2024** | Co-founder Anne Wojcicki says she wants to take the company private. |
| **Sep 2024** | A $30 million class action settlement. All seven independent directors resign. |
| **Nov 2024** | Therapeutics operations close and the workforce is cut by 40%. |
| **Mar 21, 2025** | California's attorney general tells customers how to request deletion of their data. |
| **Mar 23, 2025** | 23andMe files for Chapter 11 and Wojcicki resigns as CEO. |
| **Apr 18, 2025** | Bidders must guarantee compliance with its privacy policies. |

## What happened: a one-time purchase looking for a second act

A DNA test answers its questions in one report. Once the report arrives, the customer's job is done, and the brand needs a steady flow of new buyers. In the quarter to December 2024, consumer services revenue fell 8%.

Management looked for a second act in drug discovery. At the 2021 listing, with more than 40 drug programs underway, Anne Wojcicki said: "I want to be a therapeutics company that people love." In November 2024 the company closed substantially all therapeutics operations and cut its

workforce by 40%.

## The diagnosis: trust was the product

- **The breach broke the core promise.** Hackers got into about 14,000 accounts directly, using passwords customers had reused elsewhere, then reached personal information on 6.9 million people through the DNA Relatives feature. When the promise is trust, a breach damages the positioning itself.
- **A social feature with a big downside.** The feature that made the product fun to share also made the breach large.
- **No reason to come back.** Without a second purchase, every quarter depended on new customers, and new customers depend on trust.
- **A public fight over control.** Wojcicki held 49% of the voting power. In September 2024 all seven independent directors resigned over her take-private plans, in full view of customers who had trusted the company with their DNA.

## The treatment: protect the data first

The bankruptcy put customer data at the centre of the sale. California's attorney general said customers in the state can request deletion of their genetic data and samples. In April 2025 the company said bidders must guarantee compliance with its privacy policies and the law, and asked the court to appoint an independent Customer Data Representative.

That is the right priority. Whoever buys 23andMe is buying the trust of millions of customers as much as their data. Every step of the sale is marketing for the next owner.

## The result: a brand worth what customers trust it with

In September 2024 the company agreed to pay $30 million to settle a class action over the breach. On March 23, 2025, it filed for Chapter 11 and Wojcicki resigned as CEO. A company that once made genetic testing a popular gift now has to show that customers' data will be safe with whoever comes next.

## Lessons for your marketing

1. Plan the second purchase before you scale the first. A product people buy once needs a reason to return, and its pricing strategy should reflect that.
2. Test every sharing feature against the worst case before you promote it.
3. When your product rests on trust, treat security as marketing.
4. Treat governance as part of the brand. Customers notice when leaders fight in public.
5. If you sell personal data's safety, make the promise specific and keep it.

## The doctor will see you now.

Book a free marketing check-up at marketingdoctor.ca/contact. We'll examine your marketing, show you what's holding growth back and prescribe what to fix first.

## Sources

1. Fortune on 23andMe's public listing (June 2021). https://www.fortune.com/2021/06/17/23andme-shares-soar-after-going-public
2. 23andMe third quarter fiscal 2025 results. https://www.biospace.com/press-releases/23andme-reports-third-quarter-fiscal-year-2025-financial-results
3. TechCrunch on the breach reaching 6.9 million users (December 2023). https://techcrunch.com/2023/12/04/23andme-confirms-hackers-stole-ancestry-data-on-6-9-million-users/
4. News4JAX / Associated Press on the directors' resignations (September 2024). https://www.news4jax.com/business/2024/09/19/23andme-directors-resign-as-the-ceo-of-the-genetic-testing-company-seeks-to-take-it-private/
5. Yahoo Finance on the Chapter 11 filing and the settlement (March 2025). https://finance.yahoo.com/news/23andme-files-chapter-11-bankruptcy-133158976.html
6. 23andMe announcement of its court-supervised sale process (March 2025). https://insider.fitt.co/press-release/23andme-initiates-court-supervised-sale-process/
7. Report on California's guidance for deleting 23andMe data (March 2025). https://www.itiger.com/news/2522301083
8. Report on bidder privacy requirements (April 2025). https://www-web.itiger.com/news/2528014234

This check-up uses public information available on April 29, 2025. It is marketing analysis, not investment advice. © 2026 The Marketing Doctor.